

11/027/007

JUMBO MINING CO.

6305 Fern Spring Cove
Austin, Texas 78730
(512) 346-4537
Telex # 76-7177

DOGM
MINERALS PROGRAM
FILE COPY

December 9, 1991
File: BLM12091

Mr. F.Rex Rowley
Bureau of Land Management
House Range Resource Area
15 East 500 North, P.O. Box 778
Filmore, Utah 84631

Dear Mr. Rowley:

Please find enclosed copies of the estimate of reclamation bonding costs which have been developed in conjunction with the UDOGM for the Drum Mountain properties controlled by Jumbo Mining Company.

This information includes the breakdown which you have requested for the various property units, including the original Western States 1983 bonding, etc.

The various components of the reclamation bonding are as follows:

1) The original Western States bonding in the amount of \$264,080 is being retained by UDOGM until legal responsibility for Western's permit defaults, prior to the purchase of the property by Jumbo, is determined by the Colorado court.

2) Jumbo has posted bonding in the amount of \$143,000 for those areas of the Drum property, purchased from Western and unaffected by Western's prior permit defaults.


3) Jumbo has posted bonding in the amount of \$19,000 for the 11 acres of disturbance, approved as an amendment to the Drum Mine permit. This covers the Alto/Ibex mining area and access roads thereto.

4) Mizpah mine area--Jumbo and UDOGM have agreed on a reclamation bond in the amount of \$36,400, which has not been posted, pending authorization of a heap leach pad on which to place the ore. Details of this estimate are attached.

5) Designs and reclamation bonding for a new heap are currently waiting on agency actions. Details will be forwarded to you when these are received in approved form from the other agencies. Meanwhile, I believe you have been copied on all current plans, etc.

Please contact me if I can be of further assistance.

Sincerely,


E. B. King

cc: DWayne Hedberg, UDOGM--c/l only
DHartshorn, Drum Mine--c/l only

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DIVISION OF
OIL GAS & MINING